# GOVERNMENT OF INDIA
# FINANCE
# LOK SABHA

UNSTARRED QUESTION NO:1140
ANSWERED ON:23.11.2001
FOREIGN DEBT
BIR SING MAHATO;JAIBHAN SINGH PAWAIYA;RAJO SINGH;RAVINDRA KUMAR PANDEY;SHEELA GAUTAM;SHIVRAJ SINGH CHOUHAN;SUDARSANA E.M. NATCHIAPPAN

**Will the Minister of FINANCE be pleased to state:**

(a) the amount of foreign debt received by the Union Government from various countries as on 31st October, 2001 financial institutions-wise;

(b) the amount of loan and interest paid back to them as on 31st March 2001, country-wise;

(c) whether the foreign debt have touched the level of 100.35 billion dollars in March, 2001 as against $ 98.25 billion dollar in March,2000;

(d) if so, the reason for this increase; and

(e) the steps taken by the Government to minimise the foreign debt of the country?

## Answer

Minister of State in the Ministry of Finance (Shri Balasaheb Vikhe Patil)

a) The amount of foreign debt received on Government Account from various multilateral institutions and bilateral countries during 2000-01 are indicated in the table below:

Disbursement of external debt on Government Account

( US $ million )

| | 2000-01 |
|---|---|
| I. Multilateral | 2017.06 |
| a) IDA | 1063.42 |
| b) IBRD | 643.94 |
| c) ADB | 291.80 |
| d) IFAD | 8.79 |
| e) Others | 9.11 |
| II. Bilateral | 568.85 |
| a) Japan | 518.42 |
| b) Germany | 7.74 |
| c) United States | 0.00 |
| d) France | 14.16 |
| e) Netherlands | 0.00 |
| f) Russian Federation | 28.54 |
| g) Others | 0.00 |
| III. Total | 2585.91 |

b) The amount of principal and interest payment on Government Account external debt during 2000-01 is shown as under:

Debt Service payments of external debt on Government Account during 2000-01

( US $ million )

| | Principal | Interest |
|---|---|---|
| I. Multilateral | 1331.64 | 619.58 |
| a) IDA | 367.89 | 137.66 |
| b) IBRD | 829.79 | 319.86 |
| c) ADB | 117.16 | 159.24 |
| d) IFAD | 5.44 | 2.16 |
| e) Others | 11.36 | 0.67 |
| II. Bilateral | 819.97 | 346.00 |
| a) Japan | 319.14 | 227.51 |
| b) Germany | 111.89 | 27.12 |
| c) United States | 139.11 | 38.29 |
| d) France | 45.30 | 24.26 |
| e) Netherlands | 42.51 | 11.86 |
| f) Russian Federation | 57.25 | 8.45 |
| g) Others | 104.78 | 8.51 |
| III. Total | 2151.61 | 965.58 |

The detailed country-wise and institution-wise information on debt receipts and debt service payments made by the Government of India as on March 31, 2001 is enclosed in Annexure I.

c) The total external debt of the country increased to US $ 100.4 billion at end-March, 2001 from US $ 98.3 billion at end-March, 2000.

d) The increase in the external debt stock of the country is mainly due to issuance of US $ 5.5 billion through India Millennium Deposits in 2000-01.

e) Despite the nominal increase in debt stock, all the key external debt indicators for India continued to improve during 2000-01. This is mainly due to a prudent debt management policy of the Government, which focuses on high growth rate of exports, keeping the maturity structure as well as the total commercial debt under manageable limits, limiting short-term debt, retiring more expensive debts, and encourage non-debt creating financial flows.